



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

September 22, 2005  
(House)

## STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

**H.R. 2123 - School Readiness Act of 2005**  
(Rep. Castle (R) DE and 19 cosponsors)

The Administration supports House passage of H.R. 2123, which would reauthorize the Head Start program and accomplish many of the Administration's goals for improving the program by focusing on school readiness, improving grantee oversight and program management, and increasing competitiveness in the program.

In particular, H.R. 2123 would address the critical need to align Head Start programs with K-12 evidence-based academic standards and programs. This requirement would improve school readiness by ensuring children are given the necessary foundation for future educational success.

A key component of the Administration's reauthorization proposal is strengthening State and local partnerships with the goal of improving school readiness. H.R. 2123 will help achieve that goal by strengthening partnerships and coordination with other early childhood programs, especially local school districts, and by enhancing State collaboration on early childhood programs.

The Administration strongly supports the provisions increasing competition in the program, in particular by requiring all grantees to meet certain school readiness outcomes in order to be designated as priority grantees. Furthermore, requiring grantees that are deficient in one or more of these standards to recompute for funding ensures that Head Start funding is used to support effective comprehensive services that prepare children for kindergarten.

H.R. 2123 would significantly improve grantee financial management monitoring. Requiring Head Start operators to follow certain financial disclosure requirements would help safeguard against financial mismanagement. However, we have technical concerns with provisions that are in conflict with government-wide audit requirements for grantees established by the Single Audit Act Amendments of 1996. We look forward to working with Congress to improve program oversight in a manner consistent with government-wide audit policies.

The Administration strongly encourages the House to amend H.R. 2123 to ensure that faith-based organizations are not asked to forfeit their religious hiring autonomy as a condition of receiving Head Start grants. The Administration strongly supports such an amendment and believes that such provisions should be applied to all federally funded social service programs, so that faith-based organizations may operate on an equal level with secular organizations in competing to provide services that are funded by Head Start.

The Administration looks forward to working with Congress to address some concerns with H.R. 2123. The bill would mandate overly prescriptive allocations of training and technical

assistance funds, reducing Administration flexibility. Additionally, the bill would require 60 percent of new funding to be used for quality improvement activities. This requirement undermines efforts to expand Head Start in underserved areas by earmarking new funding to existing grantees regardless of merit or need. Furthermore, H.R. 2123 would require the National Academy of Sciences to establish a panel to review and make recommendations about Head Start academic requirements, services, and assessments of children. The bill would require the Department of Health and Human Services to use these recommendations as guidelines when developing and revising Head Start education performance measures and assessments. The proposed panel would duplicate activities being carried out by the Head Start advisory panel appointed earlier this year, the members of which are leading independent experts in the fields of early childhood education, assessment, and curriculum.

This legislation significantly improves the quality of the Head Start program, particularly through more effective accountability measures. It is important to ensure that there is enough flexibility in the program to respond to changing needs. The Administration is committed to working with Congress to address the aforementioned concerns with this important legislation.

The Administration applauds the House for its efforts to provide Head Start children with skills they need to ensure that every child enters school ready to learn.

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